

Senate Amendment 3151

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1 1 Amend House File 729, as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. Page 2, by inserting after line 2, the
1 4 following:
1 5 <Sec. _____. Section 97B.42, Code 2005, is amended
1 6 by adding the following new unnumbered paragraphs:
1 7 NEW UNNUMBERED PARAGRAPH. Notwithstanding any
1 8 other provision of this section, commencing on the
1 9 applicable start date, a member who is employed by a
1 10 school district or area education agency as an
1 11 elementary or secondary school teacher may elect
1 12 coverage under the eligible alternative retirement
1 13 benefits system as provided in section 294.17, in lieu
1 14 of continuing or commencing contributions to the Iowa
1 15 public employees' retirement system. However, the
1 16 employer's and employee's annual contribution in
1 17 dollars to the eligible alternative retirement
1 18 benefits system shall equal, but not exceed, the
1 19 annual contribution in dollars which the employer and
1 20 employee would contribute if the employee had elected
1 21 to remain an active member under this chapter, as set
1 22 forth in section 97B.11. A member who elects coverage
1 23 under the eligible alternative retirement benefits
1 24 system as provided by this paragraph may withdraw the
1 25 member's accumulated contributions effective when
1 26 coverage under the eligible alternative retirement
1 27 benefits system commences. A member who is employed
1 28 by a school district or area education agency as an
1 29 elementary or secondary school teacher prior to the
1 30 applicable start date, must file an election for
1 31 coverage under the eligible alternative retirement
1 32 benefits system described in section 294.17, with the
1 33 system and the employing school district or area
1 34 education agency within eighteen months of the first
1 35 day on which coverage commences under the eligible
1 36 alternative retirement benefits system described in
1 37 section 294.17, or the employee shall remain a member
1 38 under this chapter and shall not be eligible to elect
1 39 to participate in the eligible alternative retirement
1 40 benefits system at a later date. A person hired on or
1 41 after the applicable start date, by a school district
1 42 or area education agency as an elementary or secondary
1 43 school teacher must file an election for coverage
1 44 under the eligible alternative retirement benefits
1 45 system with the system and the employing school
1 46 district or area education agency within sixty days of
1 47 commencing employment, or the employee shall remain a
1 48 member under this chapter and shall not be eligible to
1 49 elect to participate in the eligible alternative
1 50 retirement benefits system at a later date. The
2 1 system shall cooperate with the state board of
2 2 education and with applicable school districts and
2 3 area education agencies to facilitate the
2 4 implementation of this provision.
2 5 NEW UNNUMBERED PARAGRAPH. Notwithstanding any
2 6 other provision of this section, commencing on the
2 7 applicable start date, a member who is employed by a
2 8 public hospital may elect coverage under the eligible
2 9 alternative retirement benefits system as provided in
2 10 section 347.14 or 392.6, in lieu of continuing or
2 11 commencing contributions to the Iowa public employees'
2 12 retirement system. However, the employer's and
2 13 employee's annual contribution in dollars to the
2 14 eligible alternative retirement benefits system shall
2 15 equal, but not exceed, the annual contribution in
2 16 dollars which the employer and employee would
2 17 contribute if the employee had elected to remain an
2 18 active member under this chapter, as set forth in
2 19 section 97B.11. A member who elects coverage under
2 20 the eligible alternative retirement benefits system as
2 21 provided by this paragraph may withdraw the member's
2 22 accumulated contributions effective when coverage
2 23 under the eligible alternative retirement benefits
2 24 system commences. A member who is employed by a

2 25 public hospital prior to the applicable start date,
2 26 must file an election for coverage under the eligible
2 27 alternative retirement benefits system described in
2 28 section 347.14 or 392.6, with the system and the
2 29 employing public hospital within eighteen months of
2 30 the first day on which coverage commences under the
2 31 eligible alternative retirement benefits system
2 32 described in section 347.14 or 392.6, or the employee
2 33 shall remain a member under this chapter and shall not
2 34 be eligible to elect to participate in the eligible
2 35 alternative retirement benefits system at a later
2 36 date. A person hired on or after the applicable start
2 37 date, by a public hospital must file an election for
2 38 coverage under the eligible alternative retirement
2 39 benefits system with the system and the employing
2 40 public hospital within sixty days of commencing
2 41 employment, or the employee shall remain a member
2 42 under this chapter and shall not be eligible to elect
2 43 to participate in the eligible alternative retirement
2 44 benefits system at a later date. In addition, an
2 45 election by a member to participate in an alternative
2 46 retirement benefits system as provided by this
2 47 paragraph shall be irrevocable and the member shall
2 48 not be eligible to elect coverage under this chapter
2 49 while employed by a public hospital in this state that
2 50 has made an alternative retirement benefits system
3 1 available. The system shall cooperate with boards of
3 2 trustees of public hospitals authorized to offer an
3 3 eligible alternative retirement benefits system to
3 4 facilitate the implementation of this provision.

3 5 NEW UNNUMBERED PARAGRAPH. For purposes of this
3 6 section, the "applicable start date" means the July 1
3 7 following the most recent actuarial valuation of the
3 8 retirement system in which the system's actuary
3 9 certifies that the actuarial valuation of assets of
3 10 the retirement system equals or exceeds the actuarial
3 11 valuation of the accrued liabilities of the retirement
3 12 system.>

3 13 #2. Page 2, by inserting after line 21, the
3 14 following:
3 15 <Sec. _____. Section 256.7, Code 2005, is amended by
3 16 adding the following new subsection:
3 17 NEW SUBSECTION. 26. By the applicable start date
3 18 as defined in section 97B.42, provide for the
3 19 establishment of an eligible alternative retirement
3 20 benefits system for elementary and secondary school
3 21 teachers employed by a school district or area
3 22 education agency consistent with the requirements of
3 23 section 294.17.

3 24 Sec. _____. NEW SECTION. 294.17 ELIGIBLE
3 25 ALTERNATIVE PENSION AND ANNUITY RETIREMENT SYSTEM.
3 26 1. The state board of education shall establish an
3 27 eligible alternative pension and annuity retirement
3 28 system, hereafter called the "retirement system",
3 29 effective on the applicable start date as defined in
3 30 section 97B.42, for elementary and secondary school
3 31 teachers employed by a school district or area
3 32 education agency pursuant to the requirements of this
3 33 section. The state board of education shall be the
3 34 plan sponsor of the retirement system and shall file
3 35 an application for a favorable determination letter
3 36 for the retirement system with the internal revenue
3 37 service.

3 38 2. The state board of education shall select a
3 39 provider of the retirement system that is a financial
3 40 institution capable of providing bundled services for
3 41 the retirement system, including, but not limited to,
3 42 administration, investment management, employee
3 43 education, and recordkeeping. In selecting a
3 44 provider, the state board of education shall place
3 45 primary emphasis on the reasonableness of services in
3 46 relation to cost, the ability and experience of the
3 47 provider in providing bundled retirement services to
3 48 the educational community, the financial stability of
3 49 the provider, and the ability of the provider to
3 50 provide services as required by this section.

4 1 3. To be an eligible alternative retirement
4 2 benefits system, the retirement system shall meet the
4 3 following requirements:

4 4 a. The retirement system shall be an employer=
4 5 sponsored defined contribution plan requiring

4 6 mandatory employer contributions that meet the
4 7 requirements of section 401(a) of the Internal Revenue
4 8 Code.

4 9 b. The employer's and employee's annual
4 10 contribution in dollars under an eligible alternative
4 11 retirement benefits system described in this section
4 12 shall equal, but not exceed, the annual contribution
4 13 in dollars which the employer and employee would
4 14 contribute if the employee had elected to remain an
4 15 active member pursuant to the Iowa public employees'
4 16 retirement system, as set forth in section 97B.11.
4 17 Contributions under the retirement system shall be
4 18 treated in the same manner as contributions under the
4 19 Iowa public employees' retirement system are treated
4 20 pursuant to section 97B.11A.

4 21 c. Employer and employee contributions under the
4 22 retirement system shall be fully vested immediately.

4 23 d. Upon termination of employment as an elementary
4 24 or secondary school teacher employed by a school
4 25 district or area education agency, the teacher shall
4 26 be eligible to receive a benefit payable in at least
4 27 any of the following forms:

4 28 (1) Payment of all or part of the teacher's
4 29 account balance in the retirement system in a lump
4 30 sum.

4 31 (2) Payment based on the teacher's account balance
4 32 in the retirement system in monthly, quarterly, or
4 33 annual installments over a fixed reasonable period of
4 34 time, not exceeding the life expectancy of the teacher
4 35 and the teacher's beneficiary, if applicable.

4 36 (3) Payment based on the teacher's account balance
4 37 in the form of a single life or joint life and
4 38 survivorship annuity.

4 39 4. Persons employed by a school district or area
4 40 education agency as an elementary or secondary school
4 41 teacher on or after the applicable start date as
4 42 defined in section 97B.42, may elect coverage under
4 43 the retirement system established in this section in
4 44 lieu of coverage under the Iowa public employees'
4 45 retirement system, pursuant to the requirements of
4 46 section 97B.42.

4 47 Sec. _____. Section 347.14, Code 2005, is amended by
4 48 adding the following new subsection:

4 49 NEW SUBSECTION. 17. Provide an eligible
4 50 alternative retirement benefits system offered through
5 1 the county hospital pursuant to this subsection which
5 2 is issued by or through an insurance company
5 3 authorized to issue annuity contracts in this state
5 4 for persons employed by the county hospital in lieu of
5 5 coverage under the Iowa public employees' retirement
5 6 system. For purposes of this subsection, "eligible
5 7 alternative retirement benefits system" means an
5 8 employer-sponsored primary pension plan requiring
5 9 mandatory employer contributions that meets the
5 10 requirements of section 401(a), 401(k), 403(a), or
5 11 403(b) of the Internal Revenue Code.

5 12 Sec. _____. Section 392.6, Code 2005, is amended by
5 13 adding the following new unnumbered paragraph:

5 14 NEW UNNUMBERED PARAGRAPH. The board of trustees
5 15 may provide an eligible alternative retirement
5 16 benefits system offered through the city hospital
5 17 pursuant to this paragraph which is issued by or
5 18 through an insurance company authorized to issue
5 19 annuity contracts in this state for persons employed
5 20 by the city hospital in lieu of coverage under the
5 21 Iowa public employees' retirement system. For
5 22 purposes of this paragraph, "eligible alternative
5 23 retirement benefits system" means an employer=
5 24 sponsored primary pension plan requiring mandatory
5 25 employer contributions that meets the requirements of
5 26 section 401(a), 401(k), 403(a), or 403(b) of the
5 27 Internal Revenue Code.>

5 28 #3. By renumbering as necessary.

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5 32 STEWART IVERSON, Jr.

5 33 HF 729.504 81

5 34 ec/pj/1496

